

ABSTRACT OF THE DISCLOSURE

A decision support system and method is provided for responding to a deregulated electrical energy environment for use in making decisions related to supplying and purchasing electrical power. In a preferred embodiment, the decision support system comprises a plurality of interconnected models that produce information related to various business operations. A contract valuation model produces a value of energy contracts based upon timely data such as contract terms, real-time commodity pricing, and forecasted commodity pricing. A potential action valuation model generates value for potential, predefined operational actions at a given production facility in response to a particular opportunity. A forecasting and planning model provides forecasting services related to energy based upon historical and current real-time data for use in other models. A supply chain optimizer provides overall supply information related to supplying a plurality of electrical generating facilities to thereby indicate economies for overall system operation. A risk management model allows the entry of risk tolerance parameters. A financial position management model is utilized as a tool to support risk reduction.